

CONNELL FINANCE COMPANY, INC.

A SUBSIDIARY OF THE CONNELL COMPANY

ONE CONNELL DRIVE

BERKELEY HEIGHTS, N.J. 07922 U.S.A.

TELEPHONE
(908) 673-3700

TELEFAX (908) 673-3800

www.connellco.com

April 5, 2005

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

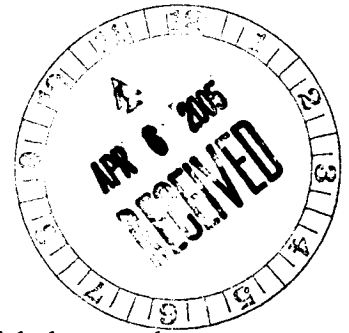
RECORDATION NO

16568-I

FILED

APR 06 '05

2-56 PM



Dear Mr. Williams:

SURFACE TRANSPORTATION BOARD

I have enclosed two copies of the secondary document described below, to be recorded pursuant to Section 11301 of Title 49 of the United States Code.

The enclosed document, a secondary document, is a **Notice of Termination of Series 2 Lease** dated May 1, 1990 (the "Series 2 Schedule"), and made and executed by Connell Finance Company, Inc. The primary document to which this document is connected is recorded under Recordation No. 16568. We request that one copy of this document be recorded under Recordation No. 16568-I.

The names and addresses of the parties to, or benefiting from, the documents are as follows:

Lessor: Connell Finance Company, Inc.
One Connell Drive
Berkeley Heights, NJ 07922

Lessee: Smurfit-Stone Container Enterprises, Inc.
(f/k/a to Stone Container Corporation)
150 North Michigan Avenue
Chicago, IL 60601-7568

A description of the equipment covered by the document follows:

"Four (4) GP-38 locomotives bearing names and numbers BL 500, BL 501, BL 507 and BL 511"

A check in the amount of \$30.00 is enclosed to cover the fee for filing the Termination. Please return the extra copy of the Termination Notice, time and date stamped as to filing to:

Mark R. Decker
Senior Vice President & General Counsel
Connell Finance Company, Inc.,
One Connell Drive, Berkeley Heights, New Jersey 07922.

Mr. Vernon A. Williams, Secretary
February 24, 2004
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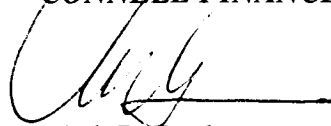
A short summary of the document follows:

“Notice of Termination of Series 2 Lease by Connell Finance Company, Inc., regarding the termination of the lease of four GP-38 locomotives to Smurfit-Stone Container Enterprises, Inc. (f/k/a Stone Container Corporation).”

If you have any questions please do not hesitate to call the undersigned.

Sincerely,

CONNELL FINANCE COMPANY, INC.

A handwritten signature in dark ink, appearing to read 'M. Decker', is written over a horizontal line.

Mark R. Decker
Senior Vice President & General Counsel

Enclosure

CONNELL FINANCE COMPANY, INC.

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April 6, 2005

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001
Attn: Ms. Karen January

Dear Ms. January:

I am forwarding the enclosed check to you in the amount of \$2.00 payable to Surface Transportation Board at the request of Mark Decker, Esq. The check is the balance of the amount due for the Termination Notice sent to STB on April 5, 2005 (copy attached)

We appreciate your help in connection to this matter. If you have any questions please do not hesitate to call the undersigned.

Sincerely,

CONNELL FINANCE COMPANY, INC.



Christopher Jegede

Enclosure

NOTICE OF TERMINATION OF SERIES 2 LEASE APR 06 '05**2-56 PM****SURFACE TRANSPORTATION BOARD**

This Notice of Termination of Series 2 Lease dated as of March 29, 2005 (this "Termination Notice") is given by Connell Finance Company, Inc., a New Jersey corporation ("Lessor").

WHEREAS, Lessor and Stone Container Corporation (now known as Smurfit-Stone Container Enterprises, Inc. ("Lessee")) entered into that certain Master Equipment Lease Agreement (No. 1989A) as of August 31, 1989 (prior to the amendment referenced in the rest of this clause, the "Master Lease"), which was amended by Amendment No. 1 to Master Equipment Lease Agreement between Lessor and Lessee, dated as of May 1, 1990 ("Amendment No. 1"); the Master Lease as so amended being hereinafter called the "Amended Master Lease";

WHEREAS, pursuant to the Master Lease, Lessor and Lessee entered into Lease Schedule Series 1 – No. 1 dated August 31, 1989, Lease Schedule Series 1 – No. 2 dated September 22, 1989, Lease Schedule Series 1 – No. 3 dated October 13, 1989 and Lease Schedule Series 1 – No. 4 dated November 15, 1989, all for the lease by Lessor to Lessee of 175 woodchip gondolas (collectively, the "Series 1 Schedules");

WHEREAS, pursuant to the Amended Master Lease, Lessor and Lessee also entered into Lease Schedule Series 2 – No. 1 dated May 1, 1990 for the lease by Lessor to Lessee of 4 GP 38 locomotives (the "Series 2 Schedule", and collectively with the Series 1 Schedules, the Master Lease and Amendment No. 1, the "Lease");

WHEREAS, as of July 8, 2004, Lessor and Lessee entered into Amendment No. 2 to Master Equipment Lease ("Amendment No. 2") pursuant to which the Lease was split into two separate leases, one for the Series 1 Schedules and the 175 woodchip gondolas leased thereunder (the "Series 1 Lease") and the other for the Series 2 Schedule and the 4 GP 38 locomotives leased thereunder (the "Series 2 Lease");

WHEREAS, on July 14, 2004, by way of Bill of Sale, Assignment and Assumption Agreement, Lessor sold, assigned, transferred and conveyed to GATX Financial Corporation all Lessor's right, title, interests and obligations in, and only in, the Series 1 Lease; and

WHEREAS, effective March 29, 2005, the Series 2 Lease was terminated in accordance with its terms (*it being understood* that the termination has no effect upon the Series 1 Lease which is now outside the control or interest of Lessor); and

WHEREAS, the Master Lease was recorded with the Interstate Commerce Commission (the "Commission"; now superseded by the Surface Transportation Board the "STB") on October 12, 1989 at 10:45 AM, and assigned recordation number 16568; Amendment No. 1 and Lease Schedule No. Series 2-No. 1 were recorded with the Commission on June 6, 1990 at 10:45 AM and assigned recordation numbers 16568-E and 16568-F, respectively; and Amendment No. 2 was apparently recorded by the STB on July [albeit stamped "June"] 19, 2004 and assigned recordation number 16568-G;

